COMMERCIAL AND FINANCIAL NEWS

The Washington Herald

REALTY :: BUILDING QUALITY WANT ADS

PERMANENT TARIFF LUMBER SCHEDULE IN BITTER ATTACK

Tentatively Imposed Duties on Finished Product Starts Fight.

"FREE" WOOD URGED

This Would Encourage Housing and Preserve Forests, Advocates Contend.

A fight over the lumber schedule of the permanent tariff bill became a certainty yesterday when it was learned that duties have been imposed tentatively by a subcommittee of the House Ways and Means Committee upon practically all finished lumber, only certain kinds of rough lumber remaining on the free list.

The duties, as tentatively agreed upon, provide for protection on all kinds of fir and spruce, both rough and finished lumber. This is designed to furnish protection to the West Coast lumbermen who fear importations from British Columbia.

The general impression has been that pine and other kinds of lumber, both rough and finished, would be allowed to come in free, inasmuch as no claim of any need of protection has been advanced by the manufacturers. That lumber should remain on the free list has been strongly urged by the National Retail Lumber Dealers' Association as a means of encouraging housing construction and also in order to conserve the forests of the United States.

Free Advocates Howl.

Advocates of free lumber set up a howl when it was discovered that the tentative rates contemplate that while rough lumber, except fir and spruce, shall be free of duty, lumber finished on two sides would bear a duty of 50 cents per 1,000 feet, and lumber finished on more than two sides $1 per 1,000 feet.

The rates on fir and spruce are $1.50 per 1,000 feet on rough lumber, $2 per 1,000 feet on lumber finished on two sides, and $2.50 on lumber finished on more than two sides.

It is declared that comparatively little rough lumber comes in from Canada; hence the imposition of a duty on finished pine and other varieties of lumber is said to mean that the bulk of the imports will be dutiable. The saving in freight rates on finished lumber, as compared with rough lumber, is so great that it will continue to be more economical to bring in the finished lumber than to import it in rough form.

Anti-Dumping Changes.

The Senate Finance Committee, which is holding hearings on the emergency tariff bill, has determined that changes will be necessary in the anti-dumping and exchange valuation sections.

These will be to make administration simpler, according to Senator Boies Penrose, chairman of the committee, and will not alter the essential features. Penrose said no amendments will be permitted in the strictly tariff portions.

"All agricultural amendments must wait for the permanent tariff," Penrose explained. "The two technical features of the bill are new, and amendments to them are proper."

Penrose said the committee hopes to conclude its hearings by the end of the week, and be able to report out the bill at the time. He anticipates speedy passage after considerable discussion on the floor over the anti-dumping and exchange valuation clauses.

The committee, at its hearing yesterday listened to Judge Marion de Vries, of the United States Court of Customs Appeals, who explained how the bill differed from similar measures introduced last session. John E. Walker, head of the legislative drafting bureau of the Senate, suggested two amendments affecting administration. James B. Reynolds, former assistant secretary of the treasury, also appeared. Witnesses to be heard later include customs officials from New York.

Breadstuff Movements

NEW YORK, April 18.—The following shows the movements of breadstuffs at New York tonight in bushels of grain and barrels of flour:

	Receipts.	Exports.
Wheat	32,000	89,000
Corn	....	171,000
Oats	38,000	....
Flour	47,000	9,000

The export clearances from the seven principal ports of the Atlantic seaboard (New York, Boston, Philadelphia, Baltimore, Newport News, Galveston and New Orleans) thus far this week, as compared with the corresponding day of last week, have been as follows:

	Flour	Wheat	Corn	Oats
Today	12,000	172,000	382,000	....
Last wk	76,000	1,767,000	189,000	....

Exports of wheat from the four ports (New York, Boston, Philadelphia and Baltimore) were 159,000 bushels; last year, 112,000.

METAL MARKET.

NEW YORK, April 18.—A sensational advance is reported in London tin prices, spot being 8 pounds, 5 shillings higher at 169 pounds, and futures 7 pounds higher at 171 pounds 5 shillings. Sales, 200 tons and 600 tons. Standard copper is 15 shillings higher at 69 pounds 15 shillings for spot and 70 shillings for futures. Sales, 100 tons and 900 tons. Electrolytic is unchanged at 71 pounds. Spot lead is 2 shillings 6d higher, at 20 pounds 12s 6d, and spelter 7s 6d higher at 25 pounds 17s 6d.

COTTONSEED OIL.

NEW YORK, April 18.—Cottonseed oil was weak. Spot, 6.20a7.00; crude, 4.50. Futures: April, 6.00a6.50; May, 6.10a6.40; June, 6.80a6.90; July, 6.80a6.94; August, 7.00a7.25; September, 7.33a7.34; October, 7.35a7.55; November, 7.20a7.55.

RAILROAD RATES AND WAGES BOTH TOO HIGH

Return to Level Before Increases of Last July Would Stimulate Business Recovery.

(By The Washington Herald's Economist.)

President Harding in his message to Congress states that both railroad rates and railroad expenses must be reduced. Almost every citizen outside of those directly interested will agree with these declarations. Both the railroads and the labor unions claim that it is impossible for them to reduce. The roads want to keep their present rates while reducing wages. The employes claim they cannot accept a reduction.

As a matter of fact it seems reasonably clear that both sides could accept a significant reduction without suffering an injustice.

The railroads claim that they are now running far behind in their revenue and that any reduction in rates would simply make their deficit that much more. It is certainly true that the railroads are making a bad financial showing at present. The Interstate Commerce Commission reports that the January operating revenue totaled $470,148,124, while operating expenses were $443,700,662, leaving a net operating revenue of only $26,447,462 compared to $84,421,009 in January last year and before the rate and wage increase. The net income of the roads showed a deficit of $958,399 for January this year. A preliminary report by the Association of Railway Executives states that the deficit in February will total $7,205,000 and that 106 out of the 200 roads failed to earn their expenses and their taxes.

The cause of this big deficit is first the heavy expenses and second the lack of business. The March reports show that 495,904 freight cars are idle. This is the largest surplus ever recorded in the history of railroading.

To a very large extent this slump in railroading is due directly to the righ rates. The rates are higher than the traffic will bear and hence there is no traffic. If these rates are persisted in it will change the whole face of our transportation system. The National Wool Association has stated recently that they can save $59 on every car load of wool from Utah to Boston by shipping it to San Francisco and then by water through the Panama Canal. This is only one instance of many that might be mentioned.

High freight rates are a cause of the demand for a high tariff to protect us from foreign competition. Japan can lay her products down in American markets for half the transportation charge that the producer in internal points of the United States has to pay.

Such a condition is certainly not conducive to the best interests of the railroads. The increase in freight and passenger rates granted by the Interstate Commerce Commission last July were expected to yield about $1,500,000,000 annually, or $125,000,000 per month. This they are not doing because they have passed the point of diminishing returns. The roads were really better off before they received this increase.

Figures furnished by the Bureau of Railway Statistics show the following division of expenses and disbursements for every dollar of railroad revenue received in 1917 and 1920.

Theoretical Disbursement Per Dollar of Railroad Revenue.

	1920.	1917.
Labor	57.8	43.3
Fuel	10.4	10.0
Other expenses	25.3	17.2
Tax	4.6	5.3
Equipment, etc.	0.9	0.9
Total expenses	99.0	76.7
Interest and rental	9.6	13.7
Other deductions	3.6	0.6
Dividends	4.5	8.0
Total	116.7	99.0

The deficit of 16.7 cents per dollar of revenue in 1920 was made up by the government appropriation otherwise they would have had exactly one cent out of every dollar of revenue in 1920 as compensation of capital. The biggest item of expense was the labor bill which amounted to 57.8 cents out of every dollar.

The following table shows the advances made in railroad wages during the period of Government control and in July 1920. In 1917 the total payroll of the railroads was $1,730,000,000 so that the increase of $1,591,000,000 means a raise of over 90 per cent.

HISTORY OF RAILWAY WAGE INCREASES.

	Yearly increases.	Applicable to—
January 1, 1918	$569,000,000	All employes receiving less than $250 per month and all shop employes.
September 1, 1918	190,000,000	Maintenance of way and clerks.
October 1, 1918	25,000,000	Telegraphers.
January 1, 1919	68,000,000	Policemen, dining and sleeping car employes, enginemen and trainmen.
May 1, 1919	50,000,000	Shop employes.
December 1, 1919	38,000,000	Adjustments.
January 1, 1920	25,000,000	Overtime and adjustments.
Total under government ownership	$965,000,000	
July 20, 1920	626,000,000	All employes.
Grand total	$1,591,000,000	

The last increase was granted just at the peak of the rise in the cost of living. Since then there has been a material decrease. Food costs are down about 40 per cent, clothing and other commodities are greatly reduced. Prices are now at the level of the early part of 1918. Even granting that the railroad employes were underpaid before it seems clear that they are overpaid at present.

In view of present conditions, would it not be possible to go back to approximately the status quo of railroad rates and railroad wages which prevailed before the increase of last July? It is a question whether the railroads would then earn their dividends but they would come as close as they do now. Possibly it would be necessary to retain a portion of the July increase in rates. The lower rates would stimulate traffic and if the roads were given a free hand to practice the utmost economy they could probably make a good showing. Such a reduction would be a big factor in hastening the business recovery which all are hoping for.

FIRM QUOTATIONS PREVAIL ON CURB

Important Issues in Persistent Demand and Make Moderate Gains.

NEW YORK, April 18.—A generally firm tone prevailed on the Broad street curb in today's trading with some issues in persistent demand and making moderate gains. Southern Coal and Iron was again the prominent feature with vigorous buying carrying the stock up from 9¼ to 9¾ during the first half of the day, bringing it close to the high record made a short time ago. It was reported that negotiations are under way by which the company will absorb three complete furnaces with a combined daily capacity of 500 tons of pig iron. Recently the management stated that it is constructing a railway connection to the Norfolk and Western system. There was a small amount of business in Bethlehem Motors at 2¼, Durant Motors was held at 21⅞. East Illinois was steady at 13¼. Other industrial issues showed only small fractional changes. Intercontinental Rubber sold at 9, Columbia Emerald at 3 and 2⅞ and Farrell Coal at 14¾ to 15. Tennessee Railway, Light and Power was traded in at 1⅜ and 1½.

Petroleum issues were only moderately influenced by the announcement of the advance of 25 cents in Pennsylvania Crude Oil, which is expected to be followed in the mid-continent and other fields.

Maracaibo was in fair demand, selling at 29⅜ to 29⅞, and Simms Petroleum was traded in at 8 to 8⅛. Engineers Petroleum was the most active of the low-priced issues, with confident buying based on statements in regard to the program of the management. Carib. Syndicate was steady, selling at 7¾ to 8. Nipissing was in better demand and moved up from 7⅛ to 7⅝. Eureka Croesus was another strong feature and had a brisk advance.

New Oil Companies.

New oil companies formed during March, 1921, and total amount of capital involved shows a slight increase over February, but was much smaller than for March, 1920, according to The Journal of Commerce. During March there were organized 94 oil companies with a total authorized capitalization of $148,850,000, compared with 64 companies with a total capitalization of $136,935,000 for February, and 188 companies with involved capital of over $300,000,000 in March, 1920.

WORSTED OFFICIAL DENIES REPORT

Lawrence Plant Not to Be Acquired by Am. Woolens, Says Wood.

BOSTON, April 18.—The rumor that the Lawrence plant of the United States Worsted Company was to be acquired by the American Woolen Company was officially denied Monday in a statement signed by Treasurer E. M. Wood, in behalf of the worsted concern's officials. The statement reads:

"Insistent rumors that the American Woolen Company is about to acquire the properties of the United States Worsted Company at Lawrence are without foundation. The business of the United States Worsted Company is being carried on as in the past and will so continue. The properties of the United States Worsted Company are not for sale."

French Indo-China Rice.

The total amount of rice available for exportation from Saigon, French Indo-China, is placed at 4,188,740 pounds, according to the American consul at that port. Of this amount 3,306,900 pounds are from the 1920-21 crop, while 889,840 pounds were carried over from the 1919-20 crop.

GARY ISSUES CALL TO COLORS AGAINST CLOSED SHOP RULE

Steel Head Urges Federal Control and Regulation of Unions.

FORSEES DISASTER

Labor, If Not Checked, Would Gain Control of Government, He Says.

NEW YORK, April 18.—The open-shop movement came out into the open in Hoboken today in a frank speech by Judge E. H. Gary, chairman of the United States Steel Corporation, to the annual stockholders' meeting, urging the government control and regulation of labor unions.

Coming from the commander of the last great stronghold of the open shop in the United States, which has successfully resisted all efforts of labor organizations to obtain a voice in its negotiations with labor, the Gary speech was regarded in financial and industrial circles as a call to the colors against the closed shop.

If successful in their contemplated progress, labor unions would gain control of the shops, then a general management of business, then of capital and ultimately of the very government, Judge Gary declared, preliminary to urging laws to control all economic organizations exceeding specified memberships or specified amounts of capital. Capital, he said, should be placed under similar restrictions.

"The natural effects of labor unions are expressed by inefficiency and high costs," said Judge Gary, preparing his case, "and in the end the general public must pay for extortionate, unnecessary and unreasonable costs of production. The public is primarily and fundamentally interested in the existence and conduct of labor unions."

Disaster in End.

The ends to which the efforts of labor unions tend mean destruction and disaster, Judge Gary continued.

Often they seek to control politics and openly as a body advocate the election or defeat of even a President," he continued. "They oppose or favor divers kinds of legislation. They would regret police departments. Worse than everything else they would dominate the Supreme Court of the United States, our citadel of defense to person and property—to civilization itself. This attitude strikes at the very foundation of our great republic.

"Possibly there is a solution of or an antidote to the labor union problem. I do not believe in socialism in government management or operation but I do advocate publicity, regulation and reasonable control through government agencies. Members of commissions or departments should be non-partisan.

"Laws—clear, well defined, practicable—covering these matters might be passed, and if so, should apply to all economic organizations, groups or bodies exceeding certain specified numbers or amounts. Both organized labor and capital should be placed under these laws, each entitled to the same protection and subject to the same restrictions and provisions. Labor union leaders heretofore have asked and received discriminatory exemptions. That is wrong. It would be just as bad if the situation were reversed. Will labor unions consent to this? Heretofore they have objected. Here would be a test.

Gary declared security holders of corporations must be recognized as entitled to wield control. As to the 12-hour day, Gary said, the officials, after much consideration of the problem of how to reduce to working day, had been unable as yet to reach a conclusion because, chiefly, of the workmen's insistence on long hours for the sake of increased income.

Potato Shipments.

It was estimated by the Bureau of Crop Estimates January 1 that total potato stocks on hand in 15 important late-shipping States were 110,670,600 bushels, equivalent to 184,451 cars. Between that date and April 2, 37,531 cars were rolled to market, which reduced the stocks estimated on hand to 146,920 cars. The four-year average movement after April 1, from these 15 States has been 15,109 cars. As a rule not much over one-fifth of the January stocks on hand are shipped as car lots. The rest is accounted for by local consumption, shrinkage, decay, cattle feeding and the like. This season the shipping period for old stock may continue longer than usual on account of the moderate acreage of southern potatoes.

Textile Unions to Demand More Pay

LAWRENCE, Mass., April 18.—Declaring that manufacturers have not followed up their programs of sweeping wage reductions with similar cuts in prices, textile unions here plan to demand an increase in wages. The wages of textile operatives here, as in practically all the New England textile centers, were reduced 22½ per cent a few months ago.

Secretary Ellis of the new Lawrence Textile Council said Wednesday that a date would be set for a mass meeting of textile workers, at which meeting, he said, there would be a decision as to "what is a reasonable amount of increased wages to be demanded in order to keep pace with high living costs."

Delegates of all local unions affiliated with the United Textile Workers decided to call this meeting, and it was said that the unions had not protested the wage cut before, in the belief that manufacturers were attempting to "get back to normal." But this saving in wages, declare the union leaders, has not been reflected in the price of clothing. The textile council claims that the mills are in a more prosperous condition than at any time in the last twelve months, and the wage cut is referred to as "an inhuman act."

SLUMP FOLLOWS SPIRITED START

Free Selling in May Wheat by Buyers on Previous Week's Dip.

CHICAGO, April 18.—Wheat was 1 to 2 cents higher at the start, but the buying gave out, and at $1.30 and above for May there was free selling by some of the buyers of last week's dip. There was considerable selling of July by houses with Eastern connections and at the low prices were off 4¼a4½ cents from the top. Crop reorts in the main were favorable, although a few claiming damage due to the freeze were received. It is expected, however, that the extent of the damage can not be determined for several days. Since the opening of navigation Duluth has received around 765,000 bushels Canadian wheat via Lake and another cargo of 300,000 bushels is due. All of the grain will go to Minneapolis mills. Country offerings remain small. Export demand is rather slow.

Coarse grains were higher early and lower later with wheat, corn dropping 1⅝a2 cents from the high. Early there was selling against the offers and later buying against the bids. Exporters were after corn here and took 128,000 bushels over night, with indications of some business in oats c. i. f. Buffalo. Domestic demand continues fairly active for oats. Stocks at terminal markets are decreasing somewhat with light receipts. Freeze believe to have caused some damage to oats.

TIMELY WALL STREET TOPICS

NEW YORK, April 18.—The oil stocks advanced as a group under the leadership of Mexican Petroleum. The $10,000,000 bond issue of this company was used as a selling argument early last week, and with good effect, but the successful completion of this piece of financing is now being looked upon as something constructive. Two items of news coming from the producing fields aided today's movement in the oils. One reported the Pennsylvania crude oil price up 25 cents, to $3.25 a barrel. The other told of advances of 10 to 20 cents a barrel in the price of the Eastern grades of crude oil. Higher prices for oil are looked upon as favorable to the refining and distributing companies, as well as to the producing companies directly affected. The former have been stocking up to storage capacity with crude oil and have acquired paper profits.

Crucible Steel stock commanded a premium in the loan crowd after the close on Saturday and continued to do so after trading finally got under way today. During the first ten minutes of this session there was not a single transaction in Crucible. Some construed this as a sign of indecision on the part of the shorts, but the market community was not left in doubt for long. Selling was resumed and the stock reacted more than 1½ points before noon.

Next to the oils the most consistently firm group on the exchange today was that represented by the copper shares. The better favor in which these stocks have grown recently has been as much to real inquiry from abroad as to the domestic demand. One company has received a second order from Germany, the amount this time being 1,000,000 pounds. It was reported today that Japan is still buying the metal, following up its purchases of 2,500,000 pounds last week. Purchases by the latter country are considered significant in view of the fact that up to a short time ago Japan was selling copper as a means of easing the strain on its principal market—silk. Japan has plans for electrifying some of its railroads and will need vast quantities of copper. Improvements of that kind, of course, will have to await business improvement.

What the constructive element in the Street has been searching for in each of the recent rallies in the stock market is some kind of evidence of participation by the public. The most optimistic are forced to admit that not even the rise of last week was sufficient to attract outside buying. In this connection a distinction is made between the purchase of stocks at bargain prices for investment and marginal buying in anticipation of immediate profits. The former operation has been going on for weeks. Keen observers do not look for speculation by the public for some time. They point out that the public is saving money, as reports from the savings banks indicate. But they do not believe that these savings will come by a direct route into the stock market. The theory is that when the public has become confident that prices of staples have reached the bottom there will be resumption of buying of articles which the public has been denying itself. The belief is that business men will themselves become more confident and will begin buying stocks for a summer rise.

Last week's net loss of 3½ points in Pullman Company was not enough to satisfy the bear clique which is concentrating its efforts on that stock. Having closed at 101¼ on Saturday, the stock opened today at 100 and shortly afterward was selling at 98, a price only 2½ points above the low of last year. The fact that Pullman was loaning "flat" in the loan crowd suggested the borrowing demands from shorts. At the early low of 98 enough demand was found to weaken bear confidence and Pullman climbed slowly until it was only a quarter point below par at midday. The directors meet this week and rumor has it that the regular quarterly dividend of 2 per cent is in danger. The report, however, may well be just some more pure bear "moonshine." The company's balance sheet as of July 31, 1920, showed net working capital of $38,000,000. It had $25,600,000 cash and was a creditor of the Railroad Administration to the extent of about $6,000,000. The company has no funded debt coming ahead of the common stock, which has been receiving an 8 per cent annual dividend since 1900.

COTTON IS EASY AFTER RALLYING

Influences Cause Considerable Reselling by Previous Week's Buyers.

NEW YORK, April 18.—After advancing 2 to 4 points here with May selling at 12.28; July, 12.85; October, 13.36; December, 13.72, and January to 13.85, the market turned easier under the above influences, causing considerable reselling by local and Wall Street traders who had been the principal buyers on the good advance of late Friday afternoon and the further rally of Saturday morning. This selling movement was accelerated to a considerable extent by further evidence of Southern selling here and reports of the same kind of hedge selling going on in the New Orleans market. Many were surprised at these developments in view of the very bad weather which prevailed all over the belt Saturday and yesterday with frost today in the North portion of Texas and in the Central States, to be followed by frost in the Atlantic States tonight after the copious recent general rain. The trade, however, realized that little cotton has really been planted outside of the Southern half of the belt, and frost at this time would not do much damage except to garden truck and fruit trees and to early planted oats. Moreover there would be plenty of time for re-planting by as late as the end of May in the event of any further bad weather conditions from now over the next week or two. Besides this consideration anything that would delay the crop to give it a bad start is offset for the present by the unfavorable trade conditions here and on the other side in view of the large amount of the up-State season's crop still being carried by planters, factors and country merchants in the South unsold.

At Liverpool spot cotton was 7 points higher in the early trading there to the basis of 7.66 for middling with the spot sales running up to 6,000 bales, while futures made a maximum advance of 13 to 20 English points over their closing prices of Friday against 5 to 9 advance due to have met our closing quotations of Saturday. The market finally closed barely steady at a net decline of 2 points on May for the day to 1 point net advance on July and 6 to 9 on the new crop months.

	High	Low	Close
May	12.28	12.04	12.11a12.12
July	12.85	12.61	12.67a12.70
October	13.36	13.10	13.17a13.18
December	13.73	13.55	13.62a13.63
January	13.88	13.68	13.75a13.76

FOREIGN COMMERCE REFLECTS WORLD'S TRADE CONDITION

Depression Noted in Comparative Export and Import Figures.

DECLINE OF 50 PCT.

March's Imports Gain Over February, But Exports Show Decrease.

The world-wide business depression is reflected in America's exports and imports for March, 1921, which total only about half the amounts recorded in the same month of the preceding year, according to a statement issued yesterday by the Department of Commerce.

March exports for this year amounted to $384,000,000, as compared to $820,000,000 for 1920 it was shown, while the import totals of $252,000,000 for 1921 are contrasted with $524,000,000 for 1920. The March import totals show an increase over the February figures, however, which were placed at $215,000,000, but exports droped off from $489,000,000 to $384,000,000.

One hundred and six million dollars' worth of gold was imported into the United States during March, 1921, as compared with $17,000,000 in 1920, while $700,000 was exported in 1921 and $47,000,000 in 1920. The total import of gold for the nine months ending March, 1921, is given as $481,000,000 and the exports as $131,000,000.

Figures Fairly Accurate.

In announcing the figures Secretary of Commerce Hoover stated that there was every reason to believe that the March statistics for this year were reasonably accurate, but that such a statement could not be made with respect to the previous months, for the reasons developed by the committee recently appointed by him to investigate the foreign trade statistics of the department.

It has been reported by this committee that lack of clerical assistance and inadequate returns in the Bureau of Customs statistics had militated against accuracy in the foreign trade totals previously announced by the bureau and the Department of Commerce.